

Questions and Answers About Karnal Bunt Compensation

Q. Who is eligible for compensation under the U.S. Department of Agriculture's (USDA) Karnal bunt compensation package?

A. USDA will compensate certain growers, handlers, owners of seed companies, owners of grain storage facilities, flour millers, and participants in the national Karnal Bunt Survey who incurred losses and expenses because of Karnal bunt in the 1999-2000 and 2000-2001 crop seasons.

Q. Will growers in Texas be eligible for compensation? At what rate?

A. Growers in the San Saba regulated area will be eligible for compensation for positive grain or positive certified seed at the rate of \$.60 per bushel. Growers in Archer, Baylor, Young, and Throckmorton counties will be eligible for compensation for positive grain or positive certified seed at a rate not to exceed \$1.80 per bushel. For example, if the market price for grain is \$3.00 and the selling price is \$1.50, then USDA will cover the difference and compensate the grower \$1.50 per bushel. If the market price is \$3.00 and the selling price is \$1.00, USDA will pay the grower \$1.80 per bushel, the maximum allowed under the compensation plan.

Q. Why are the levels of compensation different?

A. The level of compensation depends on whether the grain comes from an area that is newly regulated for Karnal bunt or an area that has been previously regulated for the fungus. Since the summer of 2001 marked the first season Archer, Baylor, Throckmorton, and Young counties were regulated for Karnal bunt, growers with positive wheat in those areas are eligible for levels of compensation not to exceed \$1.80 per bushel. In San Saba, the level of compensation is \$.60 per bushel because the area has been regulated since 1997, making it a previously regulated area.

Q. How will affected wheat handlers in the newly regulated area be compensated?

A. Wheat handlers who purchased positive grain or positive certified seed from Archer, Baylor, Throckmorton, and Young counties prior to testing by USDA may be compensated for losses at a rate not to exceed \$1.80 per bushel. The owners of handling facilities are also eligible to receive compensation, on a one-time basis, for decontamination of grain storage facilities required pursuant to an Emergency Action Notification issued by USDA's Animal and Plant Health Inspection Service. Compensation is limited to 50 percent of the cost of decontamination and may not exceed \$20,000 per facility.

Q. How will affected flour millers be compensated?

A. Flour millers will be compensated at the rate of \$35 per short ton for treatment of mill feed.

Q. Will compensation be offered after the 2000-2001 crop year?

A. Compensation will be made available when a new outbreak of Karnal bunt is detected after the crop has already been planted and in instances where an extraordinary emergency is declared or an Emergency Action Notification is issued after the crop has already been planted or at the time it is sold. However, producers who plant wheat in previously regulated areas after the 2000-2001 season will not be compensated under the current plan.

Q. Can combine owners, custom combiners, or portable seed cleaners claim compensation?

A. The current compensation package does not include any provisions that cover the cleaning of custom combiners and portable seed cleaners.

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